GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:261
ANSWERED ON:19.12.2003
ECONOMIC REFORMS
RATTAN LAL KATARIA

Will the Minister of FINANCE be pleased to state:

(a) whether the economic reform have been able to achieve speedy eradication of poverty, creation of large scale opportunities for productive employment and self-employment and removal of imbalances in development, both social and regional, for the last three years;

(b) if so, the details thereof;;

(c) the impact of reforms on our agriculture economy; and

(d) the agenda for reforms in the country in coming years?

Answer

FINANCE MINISTER (SHRI JASWANT SINGH)

(a) to (d): A Statement is placed on the Table of the House

STATEMENT REFERRED IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO. 261 FOR 19-12 REGARDING `ECONOMIC REFORMS`.

(a) to (d): Various economic reform measures have been taken by the Government since 1991 aimed at accelerating economic growth, facilitating greater investment, enhancing the competitive spirit,reducing the level of poverty, allowing higher private initiative and achieving greater integration with the world economy. Economic reforms are a continuous process and the policy instruments to implement them are reviewed from time to time in the light of the prevailing situation.

The poverty ratio in the country has declined by nearly 10 percentage points during the five year period following 1993-94 to reach 26.1% in 1999-2000. The estimated work force (usual status) in the country has gone up from 374 million in 1993-94 to 397 million in 1999-2000. Regarding imbalances in the development process, data reveals divergences in the growth rate of state domestic products and disparities in social attainments in the various States of the Union during the last decade, as reflected in the National Human Development Report, 2001.

The initial reforms package of 1991 focused mainly on industry employing policy measures which, inter-alia, included delicensing, deregulation, trade liberalisation and financial sector reforms. The agricultural sector benefited indirectly from these reforms. The second generation reforms have singled out agriculture for special emphasis. Sopme of the important steps already taken include removal of restriction on movement and stocking of major agricultural products, removal of restrictions on export of farm products, removal of prohibition on futures trading in agri-commodities and dereservation of a large number of agricultural implements from manufacture in the small scale sector. The future agenda for reforms broadly aims at widening and deepening the reform process and includes, interalia, a special focus on the agricultural sector, promoting flexibility in factor markets, accelerating investment in physical and social infrastructure sectors and strengthening fiscal consolidcation.